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UNCLAS SECTION 01 OF 02 KATHMANDU 001674

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SUBJECT: BOMB BLAST MARS LAPSE OF EMERGENCY IN NEPAL

REF: A. (A) KATHMANDU 1640

[1](#)B. (B) KATHMANDU 1373

[1](#)C. (C) KATHMANDU 1255

SUMMARY

[1](#)1. (SBU) A mid-morning bomb blast in the heart of Kathmandu's commercial center marred the August 28 lapse of the state of national emergency. One person was injured in the blast, which is believed to have been set by Maoist insurgents. The explosion marked the second bombing in Kathmandu in three days. We expect that Prime Minister Deuba will push for re-imposition of the emergency, which has been in virtually continuous operation for the past nine months, upon his return from Europe at the end of the week. End summary.

ONE INJURED IN MORNING BLAST

[1](#)2. (U) One person suffered minor injuries in an explosion on the third floor of a busy shopping center in downtown Kathmandu at 11:00 a.m. local time August 28. The explosion, which occurred in a hallway near a branch of the state-owned Rastriya Banijya Bank, shattered glass but otherwise caused no major damage to the office or surrounding shops. The blast took place on New Road, a popular and congested commercial district about 4 km from the Embassy.

[1](#)3. (SBU) Local police, who report receiving a series of telephone calls warning of similar explosions in the vicinity, are conducting searches throughout the area but have so far located no other devices. Authorities suspect the blast was set by Maoist insurgents, who had earlier declared August 27 the official start of an agitation campaign leading up to a national strike, or "bandh," they have called for September 16 (Ref B). (Note: Shopowners in the building targeted by the bombing had organized a car rally in defiance of the Maoists' five-day bandh last April. End note.) The blast coincides with the lapse of the state of national emergency, which had been in virtually continuous operation since its imposition by the Government November 26.

TWO DEAD IN APPARENT ACCIDENTAL BLAST

[1](#)4. (U) Two men were killed in a bomb blast at a rooming house in Kathmandu the night of August 26. The explosion, which took place in a residential area about 6 km from the Embassy, apparently occurred when the victims, subsequently identified as suspected Maoists, were attempting to assemble the device in the room. There is some speculation that a nearby Army facility housing armored Ferret cars might have been the prospective target. No Army property was damaged in the blast. Police have made two arrests in the case. On the same day suspected Maoist gunmen killed a policeman during a bank robbery in Nepal's southern plains that netted them nearly USD 1 million.

EMERGENCY: TO EXTEND OR NOT EXTEND?

[1](#)5. (SBU) The state of emergency, which lapsed at midnight August 27, can be extended for another three months by royal ordinance at the request of Prime Minister Sher Bahadur Deuba, now on an official visit to the EU in Brussels. Most observers expect the emergency, which suspends a number of key civil rights, including the rights to assembly and free press, to be reinstated upon his return to Kathmandu, either August 31 or September 1. Deuba has stated both privately and publicly--most recently to reporters in Brussels--that the state of emergency will be lifted prior to November 13

national elections. Many Western donors, including some EU member states, have questioned whether their governments will provide election assistance requested by the Nepali Government if the state of emergency remains in effect during polling.

16. (SBU) The expiration of the emergency had no immediate visible effect on the streets of Kathamandu, where armed soldiers continue to patrol major thoroughfares. Many Opposition politicians have spoken out against extension of the emergency, arguing that existing anti-terrorism laws offer the security forces and the Government ample latitude to apprehend and prosecute suspected insurgents (Ref C).

COMMENT

17. (SBU) This morning's bomb blast is fairly typical of Maoist "gearing-up" activities before previous general strikes. Similar incidents may follow in the days leading up to the September 16 bandh. Opposition protests notwithstanding, the explosion, coupled with the bank heist and fatal bomb blast two days earlier, make extension of the emergency for at least the next two months all but a foregone conclusion. Whether or not Deuba will be able to keep to his oft-repeated pledge to lift the emergency before elections remains to be seen.
MALINOWSKI